

Auditing Procedures Report

Issued under P.A. 2 of 1968, as amended and P.A. 71 of 1919, as amended.

| | | | |
|--|-------------------------|--|-----------------|
| Local Unit of Government Type <input type="checkbox"/> County <input type="checkbox"/> City <input checked="" type="checkbox"/> Twp <input type="checkbox"/> Village <input type="checkbox"/> Other | | Local Unit Name Colfax Township | County Huron |
| Fiscal Year End 3/31/07 | Opinion Date 6/27/07 | Date Audit Report Submitted to State 8/8/07 | |

We affirm that:

We are certified public accountants licensed to practice in Michigan.

We further affirm the following material, "no" responses have been disclosed in the financial statements, including the notes, or in the Management Letter (report of comments and recommendations).

- YES NO Check each applicable box below. (See instructions for further detail.)
- ☒ ☐ All required component units/funds/agencies of the local unit are included in the financial statements and/or disclosed in the reporting entity notes to the financial statements as necessary.
 - ☐ ☒ There are no accumulated deficits in one or more of this unit's unreserved fund balances/unrestricted net assets (P.A. 275 of 1980) or the local unit has not exceeded its budget for expenditures.
 - ☒ ☐ The local unit is in compliance with the Uniform Chart of Accounts issued by the Department of Treasury.
 - ☒ ☐ The local unit has adopted a budget for all required funds.
 - ☒ ☐ A public hearing on the budget was held in accordance with State statute.
 - ☒ ☐ The local unit has not violated the Municipal Finance Act, an order issued under the Emergency Municipal Loan Act, or other guidance as issued by the Local Audit and Finance Division.
 - ☒ ☐ The local unit has not been delinquent in distributing tax revenues that were collected for another taxing unit.
 - ☒ ☐ The local unit only holds deposits/investments that comply with statutory requirements.
 - ☒ ☐ The local unit has no illegal or unauthorized expenditures that came to our attention as defined in the *Bulletin for Audits of Local Units of Government in Michigan*, as revised (see Appendix H of Bulletin).
 - ☒ ☐ There are no indications of defalcation, fraud or embezzlement, which came to our attention during the course of our audit that have not been previously communicated to the Local Audit and Finance Division (LAFD). If there is such activity that has not been communicated, please submit a separate report under separate cover.
 - ☒ ☐ The local unit is free of repeated comments from previous years.
 - ☐ ☒ The audit opinion is UNQUALIFIED.
 - ☒ ☐ The local unit has complied with GASB 34 or GASB 34 as modified by MCGAA Statement #7 and other generally accepted accounting principles (GAAP).
 - ☒ ☐ The board or council approves all invoices prior to payment as required by charter or statute.
 - ☒ ☐ To our knowledge, bank reconciliations that were reviewed were performed timely.

If a local unit of government (authorities and commissions included) is operating within the boundaries of the audited entity and is not included in this or any other audit report, nor do they obtain a stand-alone audit, please enclose the name(s), address(es), and a description(s) of the authority and/or commission.

I, the undersigned, certify that this statement is complete and accurate in all respects.

| | | | |
|--|-------------------------------------|--|-------------------------|
| We have enclosed the following: | Enclosed | Not Required (enter a brief justification) | |
| Financial Statements | <input checked="" type="checkbox"/> | | |
| The letter of Comments and Recommendations | <input type="checkbox"/> | None | |
| Other (Describe) | <input type="checkbox"/> | | |
| Certified Public Accountant (Firm Name) Brining & Nartker, P.C. | | Telephone Number 989-269-9909 | |
| Street Address 64 Westland Drive | | City Bad Axe | State MI |
| | | Zip 48413 | |
| Authorizing CPA Signature <i>Douglas P. Brining</i> | | Printed Name Douglas P. Brining | License Number 08283 |

**TOWNSHIP OF COLFAX
HURON COUNTY, MICHIGAN**

**FINANCIAL REPORT
MARCH 31, 2007**

TOWNSHIP OF COLFAX

TABLE OF CONTENTS

| | <u>PAGE NUMBER</u> |
|--|-------------------------------|
| INDEPENDENT AUDITORS' REPORT | 1 |
| <u>BASIC FINANCIAL STATEMENTS</u> | |
| GOVERNMENT-WIDE FINANCIAL STATEMENTS: | |
| Statement of Net Assets | 2 |
| Statement of Activities | 3 |
| FUND FINANCIAL STATEMENTS: | |
| Balance Sheet – Governmental Funds | 4 |
| Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds | 5 |
| Statement of Fiduciary Net Assets – Agency Fund | 6 |
| NOTES TO THE FINANCIAL STATEMENTS | 7 - 12 |
| <u>REQUIRED SUPPLEMENTARY INFORMATION</u> | |
| BUDGETARY COMPARISON SCHEDULES: | |
| General Fund | 13 - 14 |
| Cemetery Fund | 15 |
| Road Maintenance Fund | 16 |
| Perpetual Care Fund | 17 |
| <u>ADDITIONAL INFORMATION</u> | |
| Combining Balance Sheet – Nonmajor Governmental Funds | 18 |
| Combining Statement of Revenues, Expenditures, and Changes in Fund Balance – Nonmajor Governmental Funds | 19 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Fund – Liquor Control Fund | 20 |
| Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – Nonmajor Governmental Fund – Lagoon Fund | 21 |
| Statement of Changes in Assets and Liabilities – Current Tax Collection Fund | 22 |
| Schedule of Bonded Indebtedness – Issue Dated May 1, 1998 | 23 |

BRINING & NARTKER, P.C.

Certified Public Accountants

DOUGLAS P. BRINING, CPA
JOSEPH H. NARTKER, CPA

MARK W. BRINING, CPA
SARA J. ESSENMACHER, CPA
JOY A. KERR, CPA
EDWARD J. MOORE, CPA

To the Township Board
Township of Colfax
Huron County, Michigan

Members of
Michigan Association of
Certified Public Accountants

American Institute of
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Colfax, Huron County, Michigan, as of and for the year ended March 31, 2007, which collectively comprise the Township's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Township of Colfax, Huron County, Michigan. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

Management has not prepared their discussion and analysis information for the Township of Colfax, Huron County, Michigan. This discussion is required by U.S. generally accepted accounting principles as supplemental information.

In our opinion, except for the omission of management's discussion and analysis as discussed in the previous paragraph, which results in an incomplete presentation, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Township of Colfax, Huron County, Michigan as of March 31, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The budgetary comparison information on pages 13 through 18 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township of Colfax, Huron County, Michigan's basic financial statements. The accompanying additional information, as identified in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The additional information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



BRINING & NARTKER, P.C.
Certified Public Accountants

June 27, 2007

BASIC FINANCIAL STATEMENTS

**TOWNSHIP OF COLFAX
STATEMENT OF NET ASSETS
MARCH 31, 2007**

**GOVERNMENTAL
ACTIVITIES**

ASSETS:

Current assets:

| | |
|--|--------------|
| Cash | \$ 1,280,940 |
| Taxes receivable | 23,689 |
| Special assessments receivable | 31,500 |
| Capital assets - net of accumulated depreciation | 410,924 |

| | |
|---------------------|-------------------------|
| TOTAL ASSETS | <u>1,747,053</u> |
|---------------------|-------------------------|

LIABILITIES:

Current liabilities:

| | |
|--------------------------------------|--------|
| Accounts payable | 2,255 |
| Current maturities of long-term debt | 27,997 |

Noncurrent liabilities:

| | |
|--------------------------------------|---------|
| Noncurrent portion of long-term debt | 153,111 |
| Deferred revenue | 31,500 |

| | |
|--------------------------|-----------------------|
| TOTAL LIABILITIES | <u>214,863</u> |
|--------------------------|-----------------------|

NET ASSETS:

| | |
|--|---------|
| Investment in capital fixed assets net of related debt | 229,816 |
|--|---------|

Restricted:

| | |
|---------------|-----------|
| Nonexpendable | 151,543 |
| Unrestricted | 1,150,831 |

| | |
|-------------------------|----------------------------|
| TOTAL NET ASSETS | <u>\$ 1,532,190</u> |
|-------------------------|----------------------------|

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF COLFAX
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2007**

| | | <u>PROGRAM REVENUES</u> | | | <u>NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS</u> |
|------------------------------------|-------------------|---------------------------------|---|---|--|
| | <u>EXPENSES</u> | <u>CHARGES FOR SERVICES</u> | <u>CAPITAL GRANTS AND CONTRIBUTIONS</u> | <u>OPERATING GRANTS AND CONTRIBUTIONS</u> | |
| FUNCTIONS: | | | | | |
| Governmental Activities | | | | | |
| Legislative | \$ 2,373 | \$ - | \$ - | \$ - | \$ (2,373) |
| General government | 246,108 | 53,317 | - | 1,180 | (191,611) |
| Public safety | 85,015 | - | - | 718 | (84,297) |
| Public works | 315,439 | - | 35,000 | - | (280,439) |
| Health and welfare | 4,885 | - | - | - | (4,885) |
| Recreation and culture | 9,114 | - | - | - | (9,114) |
| Total Governmental Activities | <u>\$ 662,934</u> | <u>\$ 53,317</u> | <u>\$ 35,000</u> | <u>\$ 1,898</u> | <u>(572,719)</u> |
| GENERAL REVENUES: | | | | | |
| Property taxes | | | | | 318,035 |
| State sources | | | | | 138,888 |
| Investment earnings | | | | | 41,152 |
| Miscellaneous | | | | | 82,605 |
| TOTAL GENERAL REVENUES | | | | | <u>580,680</u> |
| CHANGE IN NET ASSETS | | | | | <u>7,961</u> |
| NET ASSETS - APRIL 1, 2006 | | | | | 1,524,229 |
| NET ASSETS - MARCH 31, 2007 | | | | | <u>\$ 1,532,190</u> |

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF COLFAX
BALANCE SHEET
GOVERNMENTAL FUNDS
MARCH 31, 2007**

| | MAJOR FUNDS | | | | OTHER NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|--|-------------------|------------------|-----------------------------|---------------------------|--|--------------------------------|
| | GENERAL FUND | CEMETERY FUND | ROAD MAINTENANCE FUND | PERPETUAL CARE FUND | | |
| ASSETS | | | | | | |
| Cash and investments | \$ 766,778 | \$ 23,554 | \$ 245,137 | \$ 151,543 | \$ 93,928 | \$ 1,280,940 |
| Taxes receivable | 13,787 | - | 8,367 | - | 1,535 | 23,689 |
| Due from other funds | 1,469 | - | - | - | - | 1,469 |
| TOTAL ASSETS | \$ 782,034 | \$ 23,554 | \$ 253,504 | \$ 151,543 | \$ 95,463 | \$ 1,306,098 |
| LIABILITIES AND FUND BALANCES | | | | | | |
| LIABILITIES: | | | | | | |
| Accounts payable | \$ 1,442 | \$ 807 | \$ - | \$ - | \$ 6 | \$ 2,255 |
| Due to other funds | - | - | 1,469 | - | - | 1,469 |
| TOTAL LIABILITIES | 1,442 | 807 | 1,469 | - | 6 | 3,724 |
| FUND BALANCE: | | | | | | |
| Reserved | - | - | 10,379 | 151,543 | - | 161,922 |
| Unreserved | 780,592 | 22,747 | 241,656 | - | 95,457 | 1,140,452 |
| TOTAL FUND BALANCE | 780,592 | 22,747 | 252,035 | 151,543 | 95,457 | 1,302,374 |
| TOTAL LIABILITIES AND FUND BALANCES | \$ 782,034 | \$ 23,554 | \$ 253,504 | \$ 151,543 | \$ 95,463 | \$ 1,306,098 |

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCES TO
NET ASSETS OF GOVERNMENTAL ACTIVITIES**

| | |
|--|---------------------|
| Total governmental fund balances | \$ 1,302,374 |
| Amounts reported for governmental activities in the statement of net assets are different because: | |
| Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. | 410,924 |
| Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. | (181,108) |
| | <u>\$ 1,532,190</u> |

The accompanying notes are an integral part of the financial statements.

**TOWNSHIP OF COLFAX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2007**

| | MAJOR FUNDS | | | | OTHER NONMAJOR GOVERNMENTAL FUNDS | TOTAL GOVERNMENTAL FUNDS |
|---|-------------------|------------------|-----------------------------|---------------------------|--|--------------------------------|
| | GENERAL FUND | CEMETERY FUND | ROAD MAINTENANCE FUND | PERPETUAL CARE FUND | | |
| REVENUES: | | | | | | |
| Taxes | \$ 198,947 | \$ - | \$ 119,088 | \$ - | \$ - | \$ 318,035 |
| Licenses and permits | 1,180 | - | - | - | - | 1,180 |
| Intergovernmental | 138,888 | - | - | - | - | 138,888 |
| Charges for services | - | 53,317 | - | - | - | 53,317 |
| Interest | 27,413 | 579 | 7,587 | 3,997 | 1,576 | 41,152 |
| Assessments | - | - | - | - | 35,000 | 35,000 |
| Other | 23,350 | 15,288 | 43,967 | - | 718 | 83,323 |
| TOTAL REVENUES | <u>389,778</u> | <u>69,184</u> | <u>170,642</u> | <u>3,997</u> | <u>37,294</u> | <u>670,895</u> |
| EXPENDITURES: | | | | | | |
| Current: | | | | | | |
| Legislative | 2,373 | - | - | - | - | 2,373 |
| General government | 132,142 | - | - | - | - | 132,142 |
| Public safety | 83,962 | - | - | - | 1,053 | 85,015 |
| Public works | 81,913 | - | 228,930 | - | 9,917 | 320,760 |
| Health and welfare | 4,885 | - | - | - | - | 4,885 |
| Recreation and culture | 9,114 | - | - | - | - | 9,114 |
| Cemetery | - | 98,624 | - | - | - | 98,624 |
| Capital outlay | 1,865 | 10,014 | - | - | - | 11,879 |
| Debt service | - | - | - | - | 17,375 | 17,375 |
| TOTAL EXPENDITURES | <u>316,254</u> | <u>108,638</u> | <u>228,930</u> | <u>-</u> | <u>28,345</u> | <u>682,167</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>73,524</u> | <u>(39,454)</u> | <u>(58,288)</u> | <u>3,997</u> | <u>8,949</u> | <u>(11,272)</u> |
| OTHER FINANCING SOURCES (USES): | | | | | | |
| Operating transfers in | - | 19,439 | - | - | - | 19,439 |
| Operating transfers out | (15,000) | - | - | (4,439) | - | (19,439) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>58,524</u> | <u>(20,015)</u> | <u>(58,288)</u> | <u>(442)</u> | <u>8,949</u> | <u>(11,272)</u> |
| FUND BALANCE - APRIL 1, 2006 | 722,068 | 42,762 | 310,323 | 151,985 | 86,508 | 1,313,646 |
| FUND BALANCE - MARCH 31, 2007 | <u>\$ 780,592</u> | <u>\$ 22,747</u> | <u>\$ 252,035</u> | <u>\$ 151,543</u> | <u>\$ 95,457</u> | <u>\$ 1,302,374</u> |

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Total net change in fund balances - governmental funds \$ (11,272)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, these costs are allocated over their estimated useful lives as depreciation expense. In the current period these amounts are:

| | |
|----------------|----------|
| Capital outlay | 10,764 |
| Depreciation | (21,680) |

Repayment of loans is an expenditure in governmental funds but reduces long-term liabilities in the statement of net assets.

30,149

Change in net assets of governmental activities.

The accompanying notes are an integral part of the financial statements.

\$ 7,961

**TOWNSHIP OF COLFAX
STATEMENT OF FIDUCIARY NET ASSETS
AGENCY FUND
MARCH 31, 2007**

| | |
|--------------------|--------------|
| <u>ASSETS</u> | |
| Cash | \$ 4,409 |
| TOTAL ASSETS | <u>4,409</u> |
| <u>LIABILITIES</u> | |
| Due to other funds | 4,409 |
| TOTAL LIABILITIES | <u>4,409</u> |
| NET ASSETS | <u>\$ -</u> |

**TOWNSHIP OF COLFAX
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The accounting policies of the Township of Colfax conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units. The following is a summary of the significant accounting policies used by the Township.

Reporting Entity:

The Township is located in Huron County, Michigan and has approximately 1,950 residents. The Township is governed by a five person elected board and provides roads, fire protection, cemetery maintenance services and ambulance services for its residents.

In accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 14 as amended by GASB 39, the definition of the reporting entity is based primarily on the premise of financial accountability. The Township is a primary government and is financially accountable for the organizations that make up its legal entity. It is also financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it. These types of organizations are deemed component units.

Based on the provisions, there are no organizations that are deemed to be component units of the Township.

Accounting Estimates:

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues and expenditures. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Township. For the most part, the effect of the interfund activity has been removed from these statements. Governmental activities, normally supported by taxes and intergovernmental revenues, are reported separately from business-type activities which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include: (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenue.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation:

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

(Continued)

TOWNSHIP OF COLFAX
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available if it is collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Those revenues susceptible to accrual are property taxes, licenses and interest revenue. All other revenue items are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Township reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Cemetery Fund accounts for revenues from cemetery lot sales and grave openings and closings. The costs of operating the cemetery are also charged to this fund.

The Road Maintenance Fund is used to account for property taxes allocated to provide for the maintenance of roads.

The Perpetual Care Fund is used to invest amounts received from perpetual care charges, the earnings of which are used for cemetery maintenance purposes.

The Township reports the Liquor Control Fund and the Lagoon Fund as nonmajor funds.

Additionally, the Township reports the following fund types:

The Agency Fund accounts for assets held by the Township in a trustee capacity or as an agent for individuals, organizations, and other governments.

Property Taxes:

Properties are assessed as of December 31, and the related property taxes become a lien on December 1 of the following year. These taxes are due on February 14 with the final collection date of February 28 before they are added to the County tax roll. The delinquent real property taxes of the Township are purchased by the County of Huron. The County sells tax notes, the proceeds of which are used to pay the Township for these property taxes. These taxes have been recorded as revenue for the current year. Delinquent personal property taxes are not paid by the County revolving tax fund and will be remitted to the Township as collection occurs.

Capital Assets:

Capital assets, which include buildings, the lagoon, and equipment, are reported in the governmental activities column in the government-wide statement of net assets. Capital assets are defined by the Township as assets with an initial cost of \$1,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Capital assets are being depreciated using the straight-line method over the following useful lives:

| | |
|-----------|----------------|
| Buildings | 20 to 50 years |
| Lagoon | 40 years |
| Equipment | 5 to 15 years |
| Drains | 30 years |

(Continued)

TOWNSHIP OF COLFAX
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Restricted Net Assets:

Restricted net assets represents cash received from cemetery perpetual care that is to be invested, the earnings of which are to be used for maintenance of the Township cemetery.

Budgets:

Annual budgets are approved prior to the beginning of the fiscal year and are adopted on a basis consistent with U.S. generally accepted accounting principles for all governmental funds. All annual appropriations lapse at year end. The Township does not utilize encumbrance accounting.

NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY – BUDGET VIOLATIONS:

P.A. 621 of 1978, section 18 (1), as amended, provides that a local unit shall not incur expenditures in excess of the amount appropriated. The legal level of budgetary control adopted by the governing body is the line item level.

During the year ended March 31, 2007, the Township incurred expenditures in certain budgetary funds which were in excess of the amount appropriated, as follows:

| | <u>AMOUNT APPROPRIATED</u> | <u>AMOUNT OF EXPENDITURES</u> | <u>BUDGET VARIANCE</u> |
|----------------------|--------------------------------|-----------------------------------|----------------------------|
| General Fund: | | | |
| Office supplies | \$ 5,000 | \$ 5,350 | \$ 350 |
| Insurance | \$ 16,290 | \$ 16,927 | \$ 637 |
| Building maintenance | \$ 2,500 | \$ 3,096 | \$ 596 |
| Miscellaneous | \$ (120) | \$ 652 | \$ 772 |
| Capital outlay | \$ 935 | \$ 1,865 | \$ 930 |
| Cemetery Fund: | | | |
| Office expense | \$ 200 | \$ 202 | \$ 2 |
| Payroll taxes | \$ 6,400 | \$ 6,620 | \$ 220 |
| Telephone | \$ 600 | \$ 653 | \$ 53 |

NOTE 3 - DEPOSITS AND INVESTMENTS:

Michigan Compiled Laws, Section 129.91(Public Act 20 of 1943, as amended), authorizes a local governmental unit to make deposits and invest in the accounts of federally insured banks, credit unions, and savings and loan associations which have an office in Michigan. The local unit is allowed to invest in bonds, securities and other direct obligations of the United States or any agency or instrumentality of the United States; repurchase agreements; bankers' acceptance of United States banks; commercial paper rated within the two highest classifications which mature not more than 270 days after the date of purchase; obligations of the State of Michigan or its political subdivisions which are rated as investment grade; and mutual funds composed of investment vehicles that are legal for direct investment by local units of government in Michigan. The Township's deposits are in accordance with statutory authority and the Township has no investments as of March 31, 2007.

Custodial Credit Risk of Bank Deposits:

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Township's investment policy does not directly address a deposit policy for custodial credit risk. At year end, the Township had \$855,066 of bank deposits (certificates of deposit, checking, and savings accounts) that were uninsured and uncollateralized. The Township believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. As a result, the Township evaluates each financial institution with which it deposits funds and assesses the level of risk of each institution. Only those institutions with an acceptable estimated risk level are used as depositories.

TOWNSHIP OF COLFAX
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)

NOTE 4 – CAPITAL ASSETS:

Capital asset activity for the current year was as follows:

| | BALANCE APRIL 1, 2006 | INCREASES | DECREASES | BALANCE MARCH 31, 2007 |
|---|-----------------------------|-------------------|--------------|------------------------------|
| Capital Assets Not Being Depreciated | | | | |
| Land | \$ 5,000 | \$ - | \$ - | \$ 5,000 |
| Capital Assets Being Depreciated | | | | |
| Buildings | 133,259 | 1,865 | - | 135,124 |
| Lagoon | 197,325 | - | - | 197,325 |
| Drains | - | 137,025 | - | 137,025 |
| Equipment | 264,232 | 8,899 | 2,395 | 270,736 |
| | <u>594,816</u> | <u>147,789</u> | <u>2,395</u> | <u>740,210</u> |
| Less: Accumulated Depreciation | | | | |
| Buildings | 59,300 | 3,003 | - | 62,303 |
| Lagoon | 75,791 | 4,933 | - | 80,724 |
| Drains | - | 1,523 | - | 1,523 |
| Equipment | 179,910 | 12,221 | 2,395 | 189,736 |
| | <u>315,001</u> | <u>21,680</u> | <u>2,395</u> | <u>334,286</u> |
| Total Capital Assets Being Depreciated - Net | <u>279,815</u> | <u>126,109</u> | <u>-</u> | <u>405,924</u> |
| Governmental Activity Capital Assets - Net | <u>\$ 284,815</u> | <u>\$ 126,109</u> | <u>\$ -</u> | <u>\$ 410,924</u> |

Depreciation expense was charged to programs of the Township as follows:

| | |
|--------------------|------------------|
| General Government | \$ 14,227 |
| Public Works | 7,453 |
| | <u>\$ 21,680</u> |

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS:

The composition of interfund balances in the fund-level financial statements is as follows:

| | <u>RECEIVABLE</u> | <u>PAYABLE</u> |
|---------------|-------------------|-----------------|
| General Fund: | | |
| Road Fund | \$ 1,469 | \$ - |
| Tax Fund | 4,409 | - |
| | <u>\$ 5,878</u> | <u>\$ -</u> |
| Road Fund: | | |
| General Fund | <u>\$ -</u> | <u>\$ 1,469</u> |
| Tax Fund: | | |
| General Fund | <u>\$ -</u> | <u>\$ 4,409</u> |

(Continued)

TOWNSHIP OF COLFAX
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)

NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS: (Continued)

The receivable from the Road Fund results from a time lag between when the expenditure was incurred and the transfer made. The Tax Fund owes the General Fund for interest earned and not transferred.

Interfund transfers for the year ended March 31, 2007 consisted of the following:

| <u>FUND TRANSFERRED FROM</u> | <u>FUND TRANSFERRED TO</u> | <u>AMOUNT</u> |
|------------------------------|----------------------------|---------------|
| General Fund | Cemetery Fund | \$ 15,000 |
| Perpetual Care Fund | Cemetery Fund | \$ 4,439 |

The transfer from the General Fund to the Cemetery Fund was for operating purposes. The interest received in the Perpetual Care Fund was transferred to the Cemetery Fund to be used for maintenance of the Township Cemetery.

NOTE 6 – LONG-TERM DEBT:

A summary of changes in long-term debt is as follows:

| | <u>BALANCE</u> <u>APRIL 1,</u> <u>2006</u> | <u>ADDITIONS</u> <u>(RETIREMENTS)</u> | <u>BALANCE</u> <u>MARCH 31,</u> <u>2007</u> | <u>DUE</u> <u>WITHIN</u> <u>ONE YEAR</u> |
|--|--|--|---|--|
| Bonds payable for the construction of a sewage treatment facility, payable in annual installments through 2008 in the amount of \$15,000. Interest is payable semi-annually at a rate of 5%. | \$ 45,000 | \$ (15,000) | \$ 30,000 | \$ 15,000 |
| Various drain assessments payable, due in annual installments based on the number of annual assessments remaining on each drain. | 29,232 | 137,025 (15,149) | 151,108 | 12,997 |
| | <u>\$ 74,232</u> | <u>\$ 106,876</u> | <u>\$ 181,108</u> | <u>\$ 27,997</u> |

Annual debt service requirements to maturity is as follows at March 31:

| | <u>PRINCIPAL</u> | <u>INTEREST</u> | <u>TOTAL</u> |
|-------------|-------------------|-----------------|-------------------|
| 2008 | \$ 27,997 | \$ 1,125 | \$ 29,122 |
| 2009 | 27,997 | 375 | 28,372 |
| 2010 | 12,997 | - | 12,997 |
| 2011 | 12,881 | - | 12,881 |
| 2012 | 12,881 | - | 12,881 |
| 2013 - 2017 | 49,815 | - | 49,815 |
| 2018 - 2021 | 36,540 | - | 36,540 |
| | <u>\$ 181,108</u> | <u>\$ 1,500</u> | <u>\$ 182,608</u> |

Interest expense for the year ended March 31, 2007 was \$1,875.

TOWNSHIP OF COLFAX
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)

NOTE 7 – RESERVED FUND BALANCE:

The reserved fund balance in the Road Maintenance Fund consists of urgent funds received from various governmental units for improvements to be made to Wertz Drive.

NOTE 8 – PENSION PLAN:

The Township participates in a defined contribution employee group pension plan through John Hancock Life Insurance Company. The plan covers all elected officials and full time cemetery employees. The Township contributes 6% of elected officials' compensation and 10% of full time cemetery employees' compensation to the plan. The amount withheld from elected officials' pay is 3% and the amount withheld from full time cemetery employees' pay is 6%. Participants also have the option to make voluntary before tax contributions ranging from 1% to 10%. Pension expense for the year ended March 31, 2007 amounted to \$7,452.

NOTE 9 – JOINT VENTURE:

Pursuant to an inter-local agreement dated September 7, 1990 between the Township and the City of Bad Axe and Verona Township, fire protection services are provided by the Bad Axe Area Fire Protection Association. At inception, the Township contributed \$87,997 for its equity interest in the equipment of the Association. This amount has been recorded as a capital asset of the Township. The Township makes annual operating contributions to the Association based on a formula included in the agreement. The equity interest is calculated based on the Township's total contributions as a percentage of all contributions received by the Association. Separate financial statements through 2006 for the joint venture are available from the Bad Axe Area Fire Protection Association. As of December 31, 2006 general fund equity amounted to \$219,955.

REQUIRED SUPPLEMENTARY INFORMATION

**TOWNSHIP OF COLFAX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2007**

| | <u>ORIGINAL BUDGET</u> | <u>FINAL BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE- FAVORABLE (UNFAVORABLE)</u> |
|--------------------------|----------------------------|-------------------------|----------------|--|
| REVENUES: | | | | |
| Taxes: | | | | |
| Current property taxes | \$ 160,000 | \$ 160,000 | \$ 178,258 | \$ 18,258 |
| Delinquent taxes | 400 | 400 | 321 | (79) |
| Trailer taxes | 450 | 450 | 544 | 94 |
| Collection fees | 16,000 | 16,000 | 19,824 | 3,824 |
| Total taxes | <u>176,850</u> | <u>176,850</u> | <u>198,947</u> | <u>22,097</u> |
| Licenses and permits: | | | | |
| Site permits | <u>1,500</u> | <u>1,500</u> | <u>1,180</u> | <u>(320)</u> |
| Intergovernmental: | | | | |
| State shared revenue: | | | | |
| Sales tax | <u>140,000</u> | <u>140,000</u> | <u>138,888</u> | <u>(1,112)</u> |
| Interest | <u>8,000</u> | <u>8,000</u> | <u>27,413</u> | <u>19,413</u> |
| Miscellaneous: | | | | |
| Other | <u>32,220</u> | <u>31,669</u> | <u>23,350</u> | <u>(8,319)</u> |
| TOTAL REVENUES | <u>358,570</u> | <u>358,019</u> | <u>389,778</u> | <u>31,759</u> |
| EXPENDITURES: | | | | |
| Legislative: | | | | |
| Trustee fees | <u>3,500</u> | <u>3,500</u> | <u>2,373</u> | <u>1,127</u> |
| General government: | | | | |
| Supervisor salary | 8,950 | 8,950 | 8,936 | 14 |
| Deputy supervisor salary | 400 | 400 | 165 | 235 |
| Elections | 2,000 | 2,700 | 2,640 | 60 |
| Legal and professional | 50,000 | 50,000 | 39,880 | 10,120 |
| Assessor fees | 12,600 | 12,600 | 12,600 | - |
| Clerk salary | 12,240 | 12,240 | 12,220 | 20 |
| Deputy clerk salary | 400 | 400 | 330 | 70 |
| Board of review | 1,000 | 1,000 | 378 | 622 |
| Board of appeals | 1,000 | 300 | - | 300 |
| Treasurer salary | 12,240 | 12,240 | 12,220 | 20 |
| Deputy treasurer salary | 400 | 400 | 330 | 70 |
| Appointed officials | 2,500 | 2,500 | 1,680 | 820 |
| Payroll taxes | 2,000 | 2,000 | 1,259 | 741 |
| Pension | 3,200 | 3,200 | 2,971 | 229 |
| Officials' expenses | 4,000 | 949 | 848 | 101 |
| Office supplies | 5,000 | 5,000 | 5,350 | (350) |
| Insurance | 15,000 | 16,290 | 16,927 | (637) |
| Building maintenance | 2,500 | 2,500 | 3,096 | (596) |

(Continued)

TOWNSHIP OF COLFAX
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED MARCH 31, 2007
(CONTINUED)

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- FAVORABLE (UNFAVORABLE) |
|---|--------------------|-------------------|-------------------|---|
| EXPENDITURES: (Continued) | | | | |
| General government: (Continued) | | | | |
| Dues and publications | 3,500 | 3,500 | 1,946 | 1,554 |
| Tax roll statements | 2,300 | 3,575 | 3,561 | 14 |
| Utilities | 3,500 | 3,500 | 2,280 | 1,220 |
| Telephone | 1,500 | 2,000 | 1,873 | 127 |
| Miscellaneous | 1,000 | (120) | 652 | (772) |
| Total general government | <u>147,230</u> | <u>146,124</u> | <u>132,142</u> | <u>13,982</u> |
| Public safety: | | | | |
| Police | 4,000 | - | - | - |
| Fire protection | 75,000 | 76,500 | 76,486 | 14 |
| Zoning administrator | 6,000 | 6,000 | 5,891 | 109 |
| Planning commission | 3,000 | 3,000 | 1,585 | 1,415 |
| Total public safety | <u>88,000</u> | <u>85,500</u> | <u>83,962</u> | <u>1,538</u> |
| Public works: | | | | |
| Drain at large | 7,800 | 14,351 | 14,350 | 1 |
| Road maintenance | 50,000 | 50,935 | 50,935 | - |
| Brine | 14,500 | 13,565 | 13,460 | 105 |
| Street lights | 3,200 | 3,200 | 3,168 | 32 |
| Total public works | <u>75,500</u> | <u>82,051</u> | <u>81,913</u> | <u>138</u> |
| Health and welfare: | | | | |
| Ambulance | 4,900 | 4,900 | 4,885 | 15 |
| Culture and recreation: | | | | |
| Parks and recreation | 500 | 500 | - | 500 |
| Library | 8,000 | 9,120 | 9,114 | 6 |
| Total culture and recreation | <u>8,500</u> | <u>9,620</u> | <u>9,114</u> | <u>506</u> |
| Capital outlay | 5,000 | 935 | 1,865 | (930) |
| TOTAL EXPENDITURES | <u>332,630</u> | <u>332,630</u> | <u>316,254</u> | <u>16,376</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>25,940</u> | <u>25,389</u> | <u>73,524</u> | <u>48,135</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers out | (16,000) | (16,000) | (15,000) | 1,000 |
| EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES | <u>9,940</u> | <u>9,389</u> | <u>58,524</u> | <u>49,135</u> |
| FUND BALANCE - April 1, 2006 | 722,068 | 722,068 | 722,068 | - |
| FUND BALANCE - March 31, 2007 | <u>\$ 732,008</u> | <u>\$ 731,457</u> | <u>\$ 780,592</u> | <u>\$ 49,135</u> |

**TOWNSHIP OF COLFAX
BUDGETARY COMPARISON SCHEDULE
CEMETERY FUND
FOR THE YEAR ENDED MARCH 31, 2007**

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- FAVORABLE (UNFAVORABLE) |
|---|--------------------|------------------|------------------|---|
| REVENUES: | | | | |
| Grave openings | \$ 45,000 | \$ 45,000 | \$ 45,550 | \$ 550 |
| Lot sales | 20,000 | 20,000 | 7,767 | (12,233) |
| Interest | 400 | 400 | 579 | 179 |
| Land lease | 14,332 | 14,332 | 2,332 | (12,000) |
| Other income | 18,000 | 18,000 | 12,956 | (5,044) |
| TOTAL REVENUES | <u>97,732</u> | <u>97,732</u> | <u>69,184</u> | <u>(28,548)</u> |
| EXPENDITURES: | | | | |
| Salaries | 53,000 | 53,000 | 52,559 | 441 |
| Office expense | 200 | 200 | 202 | (2) |
| Payroll taxes | 6,400 | 6,400 | 6,620 | (220) |
| Pension benefits | 5,100 | 5,100 | 4,481 | 619 |
| Supplies | 1,000 | 1,000 | 882 | 118 |
| Gas and oil | 3,500 | 3,500 | 2,389 | 1,111 |
| Health insurance | 27,000 | 27,000 | 26,642 | 358 |
| Maintenance | 3,000 | 3,000 | 2,182 | 818 |
| Telephone | 600 | 600 | 653 | (53) |
| Utilities | 2,000 | 2,000 | 1,709 | 291 |
| Miscellaneous | 500 | 450 | 155 | 295 |
| Refunds | 200 | 200 | 150 | 50 |
| Capital outlay | 10,000 | 10,050 | 10,014 | 36 |
| TOTAL EXPENDITURES | <u>112,500</u> | <u>112,500</u> | <u>108,638</u> | <u>3,862</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(14,768)</u> | <u>(14,768)</u> | <u>(39,454)</u> | <u>(24,686)</u> |
| OTHER FINANCING SOURCES: | | | | |
| Operating transfers in | 18,000 | 18,000 | 19,439 | 1,439 |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES | <u>3,232</u> | <u>3,232</u> | <u>(20,015)</u> | <u>(23,247)</u> |
| FUND BALANCE - April 1, 2006 | <u>42,762</u> | <u>42,762</u> | <u>42,762</u> | <u>-</u> |
| FUND BALANCE - March 31, 2007 | <u>\$ 45,994</u> | <u>\$ 45,994</u> | <u>\$ 22,747</u> | <u>\$ (23,247)</u> |

**TOWNSHIP OF COLFAX
BUDGETARY COMPARISON SCHEDULE
ROAD MAINTENANCE FUND
FOR THE YEAR ENDED MARCH 31, 2007**

| | ORIGINAL <u>BUDGET</u> | FINAL <u>BUDGET</u> | <u>ACTUAL</u> | VARIANCE- FAVORABLE (UNFAVORABLE) |
|---|---------------------------|------------------------|-------------------|---|
| REVENUES: | | | | |
| Current property taxes | \$ 100,000 | \$ 100,000 | \$ 119,088 | \$ 19,088 |
| Interest | 1,500 | 1,500 | 7,587 | 6,087 |
| Other | - | - | 43,967 | 43,967 |
| TOTAL REVENUES | <u>101,500</u> | <u>101,500</u> | <u>170,642</u> | <u>69,142</u> |
| EXPENDITURES: | | | | |
| Road maintenance and repairs | 250,000 | 250,000 | 228,930 | 21,070 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(148,500)</u> | <u>(148,500)</u> | <u>(58,288)</u> | <u>90,212</u> |
| FUND BALANCE - April 1, 2006 | 310,323 | 310,323 | 310,323 | - |
| FUND BALANCE - March 31, 2007 | <u>\$ 161,823</u> | <u>\$ 161,823</u> | <u>\$ 252,035</u> | <u>\$ 90,212</u> |

**TOWNSHIP OF COLFAX
BUDGETARY COMPARISON SCHEDULE
PERPETUAL CARE FUND
FOR THE YEAR ENDED MARCH 31, 2007**

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- FAVORABLE (UNFAVORABLE) |
|--|--------------------|-------------------|-------------------|---|
| REVENUES: | | | | |
| Perpetual care fees | \$ 100 | \$ 100 | \$ - | \$ (100) |
| Interest | 3,800 | 3,800 | 3,997 | 197 |
| TOTAL REVENUES | <u>3,900</u> | <u>3,900</u> | <u>3,997</u> | <u>97</u> |
| EXPENDITURES | - | - | - | - |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>3,900</u> | <u>3,900</u> | <u>3,997</u> | <u>97</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Operating transfers out | (3,800) | (3,800) | (4,439) | (639) |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES AND OTHER USES | <u>100</u> | <u>100</u> | <u>(442)</u> | <u>(542)</u> |
| FUND BALANCE - April 1, 2006 | 151,985 | 151,985 | 151,985 | - |
| FUND BALANCE - March 31, 2007 | <u>\$ 152,085</u> | <u>\$ 152,085</u> | <u>\$ 151,543</u> | <u>\$ (542)</u> |

ADDITIONAL INFORMATION

**TOWNSHIP OF COLFAX
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
MARCH 31, 2007**

| | LIQUOR CONTROL <u>FUND</u> | LAGOON <u>FUND</u> | <u>TOTAL</u> |
|--|----------------------------------|-------------------------|-------------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 642 | \$ 93,286 | \$ 93,928 |
| Taxes receivable | - | 1,535 | 1,535 |
| TOTAL ASSETS | <u><u>\$ 642</u></u> | <u><u>\$ 94,821</u></u> | <u><u>\$ 95,463</u></u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | |
| LIABILITIES: | | | |
| Accounts payable | \$ 6 | \$ - | \$ 6 |
| FUND BALANCE: | | | |
| Unreserved | 636 | 94,821 | 95,457 |
| TOTAL LIABILITIES AND FUND BALANCES | <u><u>\$ 642</u></u> | <u><u>\$ 94,821</u></u> | <u><u>\$ 95,463</u></u> |

TOWNSHIP OF COLFAX
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED MARCH 31, 2007

| | LIQUOR CONTROL <u>FUND</u> | LAGOON <u>FUND</u> | <u>TOTAL</u> |
|---|----------------------------------|-----------------------|---------------------|
| REVENUES: | | | |
| Interest | \$ 6 | \$ 1,570 | \$ 1,576 |
| Assessments | - | 35,000 | 35,000 |
| Other | 718 | - | 718 |
| TOTAL REVENUES | <u>724</u> | <u>36,570</u> | <u>37,294</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Public safety | 1,053 | - | 1,053 |
| Public works | - | 9,917 | 9,917 |
| Debt service | - | 17,375 | 17,375 |
| TOTAL EXPENDITURES | <u>1,053</u> | <u>27,292</u> | <u>28,345</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(329)</u> | <u>9,278</u> | <u>8,949</u> |
| FUND BALANCE - April 1, 2006 | 965 | 85,543 | 86,508 |
| FUND BALANCE - March 31, 2007 | <u>\$ 636</u> | <u>\$ 94,821</u> | <u>\$ 95,457</u> |

TOWNSHIP OF COLFAX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUND - LIQUOR CONTROL FUND
FOR THE YEAR ENDED MARCH 31, 2007

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- FAVORABLE (UNFAVORABLE) |
|--|--------------------|-----------------|---------------|---|
| REVENUES: | | | | |
| Liquor license refund | \$ 450 | \$ 450 | \$ 718 | \$ 268 |
| Interest | 10 | 10 | 6 | (4) |
| TOTAL REVENUES | <u>460</u> | <u>460</u> | <u>724</u> | <u>264</u> |
| EXPENDITURES: | | | | |
| Salaries | 980 | 980 | 960 | 20 |
| Payroll taxes | 100 | 100 | 73 | 27 |
| Miscellaneous | 50 | 50 | 20 | 30 |
| TOTAL EXPENDITURES | <u>1,130</u> | <u>1,130</u> | <u>1,053</u> | <u>77</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | <u>(670)</u> | <u>(670)</u> | <u>(329)</u> | <u>341</u> |
| OTHER FINANCING SOURCES: | | | | |
| Operating transfers in | 1,000 | 1,000 | - | (1,000) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES | <u>330</u> | <u>330</u> | <u>(329)</u> | <u>(659)</u> |
| FUND BALANCE - April 1, 2006 | 965 | 965 | 965 | - |
| FUND BALANCE - March 31, 2007 | <u>\$ 1,295</u> | <u>\$ 1,295</u> | <u>\$ 636</u> | <u>\$ (659)</u> |

TOWNSHIP OF COLFAX
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
NONMAJOR GOVERNMENTAL FUND - LAGOON FUND
FOR THE YEAR ENDED MARCH 31, 2007

| | ORIGINAL BUDGET | FINAL BUDGET | ACTUAL | VARIANCE- FAVORABLE (UNFAVORABLE) |
|---|--------------------|------------------|------------------|---|
| REVENUES: | | | | |
| Assessments | \$ 42,550 | \$ 42,550 | \$ 35,000 | \$ (7,550) |
| Interest | 250 | 250 | 1,570 | 1,320 |
| Other | 500 | 500 | - | (500) |
| TOTAL REVENUES | <u>43,300</u> | <u>43,300</u> | <u>36,570</u> | <u>(6,730)</u> |
| EXPENDITURES: | | | | |
| Outside labor | 7,000 | 7,000 | 5,000 | 2,000 |
| Professional fees | 500 | 500 | - | 500 |
| Maintenance | 6,000 | 6,000 | 3,660 | 2,340 |
| Utilities | 1,400 | 1,400 | 904 | 496 |
| Miscellaneous | 500 | 500 | 353 | 147 |
| TOTAL EXPENDITURES | <u>15,400</u> | <u>15,400</u> | <u>9,917</u> | <u>5,483</u> |
| EXCESS OF REVENUES OVER EXPENDITURES | <u>27,900</u> | <u>27,900</u> | <u>26,653</u> | <u>(1,247)</u> |
| OTHER FINANCING SOURCES (USES): | | | | |
| Bond principal | (15,000) | (15,000) | (15,000) | - |
| Bond interest | (2,250) | (2,250) | (1,875) | 375 |
| Bond fees | (500) | (500) | (500) | - |
| TOTAL OTHER FINANCING SOURCES (USES) | <u>(17,750)</u> | <u>(17,750)</u> | <u>(17,375)</u> | <u>375</u> |
| EXCESS OF REVENUES OVER EXPENDITURES AND OTHER USES | <u>10,150</u> | <u>10,150</u> | <u>9,278</u> | <u>(872)</u> |
| FUND BALANCE - April 1, 2006 | 85,543 | 85,543 | 85,543 | - |
| FUND BALANCE - March 31, 2007 | <u>\$ 95,693</u> | <u>\$ 95,693</u> | <u>\$ 94,821</u> | <u>\$ (872)</u> |

TOWNSHIP OF COLFAX
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
CURRENT TAX COLLECTION FUND
FOR THE YEAR ENDED MARCH 31, 2007

| | BALANCE APRIL 1, <u>2006</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | BALANCE MARCH 31, <u>2007</u> |
|---------------------|------------------------------------|---------------------|---------------------|-------------------------------------|
| <u>ASSETS</u> | | | | |
| Cash | \$ 2,359 | \$ 1,912,432 | \$ 1,910,382 | \$ 4,409 |
| TOTAL ASSETS | <u>\$ 2,359</u> | <u>\$ 1,912,432</u> | <u>\$ 1,910,382</u> | <u>\$ 4,409</u> |
| <u>LIABILITIES</u> | | | | |
| Due to Huron County | \$ - | \$ 782,282 | \$ 782,282 | \$ - |
| Due to schools | - | 746,969 | 746,969 | - |
| Due to Northgate | - | 19,978 | 19,978 | - |
| Due to other funds | 2,359 | 363,203 | 361,153 | 4,409 |
| TOTAL LIABILITIES | <u>\$ 2,359</u> | <u>\$ 1,912,432</u> | <u>\$ 1,910,382</u> | <u>\$ 4,409</u> |

TOWNSHIP OF COLFAX
SCHEDULE OF BONDED INDEBTEDNESS - ISSUE DATED MAY 1, 1998
MARCH 31, 2007

| MATURITY DATE | PRINCIPAL AMOUNT PAYABLE AT EACH MATURITY DATE | INTEREST | | TOTAL |
|------------------|---|----------|-----------------|------------------|
| | | RATE | AMOUNT | |
| 09/01/07 | 15,000 | 5.0% | 750 | 15,750 |
| 03/01/08 | | 5.0% | 375 | 375 |
| 09/01/08 | 15,000 | 5.0% | 375 | 15,375 |
| TOTALS | <u>\$ 30,000</u> | | <u>\$ 1,500</u> | <u>\$ 31,500</u> |